



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

August 28, 2001

MEMORANDUM No. SAD 02-19

TO: Chief Fiscal Officers
Vice Chancellors
Business Managers

FROM: Don F. Waugh
Assistant State Controller

SUBJECT: Statewide Accounts Receivable Reporting — Fiscal Year 2000-2001

In accordance with G.S. 147-86.20-.27 (Statewide Accounts Receivable Program), the Office of the State Controller (OSC) requests that you complete the attached *Receivables Summary Report By Type* worksheet. A separate worksheet should be completed for each GASB fund type. Also, we have attached an informational document entitled "Description of Receivables Summary Report Terminology". This should be helpful in explaining the "columns" and "rows" addressed in the worksheet. Contractual adjustments and indigent care write-offs are listed on the worksheet. We are looking for a distinct separation of these items as opposed to other types of debt write-offs.

This memorandum and the attached documents may be accessed on the OSC's web page at the following address: http://www.osc.state.nc.us/sigdocs/sig_docs/sigCurrent_Memos.html. Please do not make any format changes to the worksheet document.

The Statewide Accounts Receivable Program's reporting requirements are identified under G.S. 147-86.26. We appreciate your cooperation in the completion of this request and look forward to your feedback. Please furnish the completed worksheet(s) to the Financial Reporting Section of the Office of the State Controller by **Wednesday, October 31, 2001**. If you have any questions, please call John Barfield at 981-5470. You may email your response to jbarfiel@mail.osc.state.nc.us. Please include "**2001 Accounts Receivable Report**" in the email subject line. Thank you for your assistance.

DFW
Attachments

MAILING ADDRESS
1410 Mail Service Center
Raleigh, NC 27699-1410

Statewide Accounting Division • Don Waugh, Assistant State Controller
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Website: www.osc.state.nc.us/OSC/
An Equal Opportunity/Affirmative Action/Americans With Disabilities Employer

LOCATION
3512 Bush Street
Raleigh, NC

DESCRIPTION OF RECEIVABLES SUMMARY REPORT TERMINOLOGY

COLUMN HEADINGS

Taxes Receivable: This account consists of the uncollected portion of taxes due to the State.

Accounts & Other Receivables: This account includes amounts owed on open account from private persons, firms, or corporations for goods and services furnished by a State agency or institution during its normal course of business. It also includes any receivable not properly classified in one of the other categories.

Interagency Receivables: This account consists of amounts owed to agencies and institutions by another North Carolina State agency or institution for goods and services provided. In addition, this also covers grant and contract receivable reimbursements.

Loans & Notes Receivable: Amounts owed to agencies and institutions on loans or other notes from individuals or organizations other than State agencies and institutions. This group includes unconditional written promises, signed by makers, to pay sums certain in money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein.

Grant & Contracts Receivable: Grants, entitlements, and shared revenues that are susceptible to accrual, that is, both measurable and available. Some such receivables, usually entitlements or shared revenues, should be recorded for the full amount of the award/allocation when all applicable eligibility requirements of GASB Statement 33 are met (i.e., at the time of receipt or earlier if the susceptible to accrual criteria are met). For other receivables, such as reimbursement type grants, recognition would occur when the expenditure is made, provided that all other applicable eligibility requirements are met. Grant and contract receivables to be reimbursed through another State agency or institution should be reported as Interagency receivables, which is explained above. Most grant and contract receivables occur via the federal government and any other (private)/third party entities.

Long-Term Receivables Over 1 Year: That portion of a receivable that is not a current asset because it is due and payable beyond one year. A good example is a long-term loan or note that is not due or payable within one year. This only applies to the long-term portion of the Loans & Notes Receivable category listed above.

Federal Student Loans: This group should include any and all federally funded student loans.

ROW CAPTIONS

Contractual Adjustments: The differences between revenue at established rates and the amounts realizable from third-party payors under contractual agreements. These adjustments are made to customer, patient, business, or taxpayer accounts as the result of a contractual agreement to provide certain services or products at a previously negotiated price. The contractual adjustment is the difference between the value assigned by the State provider/supplier of the product or service, and the predetermined price as negotiated with a third-party payor (*example: insurance company*).

Indigent Care Write-offs: The differences between revenue at established rates and the amounts realizable from the financially responsible party for those receiving the State product or service. In this instance, the write-off is the result of the financially responsible party being **unable** to meet the financial obligations due to poverty or a lack of subsistence.

Bad Debt Write-offs: All write-offs of bad debts other than those for contractual or indigent care reasons.

Allowance for Doubtful Accounts: An estimated percentage of receivables that are expected to be uncollectible. This information should be classified as either contractual adjustments, indigent care bad debts, or other bad debts. The method of establishing an allowance for doubtful accounts is left to the agencies' discretion. The estimated allowance should be based upon historical data or other pertinent information relative to the receivables in question.

State of North Carolina

Receivables Summary Report By Type

June 30, 2001

GASB Fund Type: _____

FRU No.: _____

FRU NAME: _____

Preparer/Phone _____

Email to OSC: jbarfiel@mail.osc.state.nc.us

		<u>10</u>	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>	<u>60</u>	<u>70</u>	<u>80</u>	<u>90</u>
		TAXES RECEIVABLE	ACCOUNTS & OTHER RECEIVABLES	INTERAGENCY RECEIVABLES	LOANS & NOTES RECEIVABLE	GRANT & CONTRACTS RECEIVABLE	SUBTOTAL CURRENT RECEIVABLES WRITTEN OFF	LONG-TERM RECEIVABLES OVER 1 YEAR	FEDERAL STUDENT LOANS	TOTAL RECEIVABLES WRITTEN OFF
2000-01 Write-off Activity										
CONTRACTUAL ADJUSTMENTS	1100	_____	_____	_____	_____	_____	_____	_____	_____	_____
INDIGENT CARE WRITE-OFFS	1110	_____	_____	_____	_____	_____	_____	_____	_____	_____
BAD DEBT WRITE-OFFS	1120	_____	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL WRITE-OFFS FOR YEAR	1130	=====	=====	=====	=====	=====	=====	=====	=====	=====

		<u>10</u>	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>	<u>60</u>	<u>70</u>	<u>80</u>	<u>90</u>
		TAXES RECEIVABLE	ACCOUNTS & OTHER RECEIVABLES	INTERAGENCY RECEIVABLES	LOANS & NOTES RECEIVABLE	GRANT & CONTRACTS RECEIVABLE	SUBTOTAL - CURRENT RECEIVABLES ALLOWANCE	LONG-TERM RECEIVABLES OVER 1 YEAR	FEDERAL STUDENT LOANS	TOTAL RECEIVABLES ALLOWANCE
Allowance for Doubtful Accounts — June 30, 2001										
<u>ALLOWANCE FOR:</u>										
CONTRACTUAL ADJUSTMENTS	1200	_____	_____	_____	_____	_____	_____	_____	_____	_____
INDIGENT CARE BAD DEBTS	1210	_____	_____	_____	_____	_____	_____	_____	_____	_____
OTHER BAD DEBTS	1220	_____	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL ALLOWANCE FOR DOUBTFUL ACCOUNTS	1230	=====	=====	=====	=====	=====	=====	=====	=====	=====